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SUBJECT: ITALY: PRODI ADVISER TALKS GOVERNMENT FORMATION,

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Classified By: Charge Anna M. Borg for reasons 1.4 (b) and (d).

SUMMARY

11. (C) A senior adviser to Romano Prodi says President of the Republic Carlo Azeglio Ciampi has privately agreed to tap Prodi as PM-designate before Ciampi's term expires. If that happened, it could accelerate the government formation process by about two weeks, to mid-May. Levi also said he thought Iraq was no longer a political or practical problem, but hinted at the possibility of a slightly accelerated withdrawal of Italian troops, in consultation with the Iraqi government and allies. He said a Prodi government would want a seat at the Iran-discussion table and is thinking of ways to associate other European partners with its upcoming UNSC seat. END SUMMARY.

WAITING FOR THE U.S

End Comment.)

12. (C) A/DCM met April 21 with Romano Prodi adviser on international affairs Ricardo Levi to discuss REF A demarche, reported REF B. During the meeting, Levi told A/DCM that Prodi had received congratulatory calls from many world leaders. The U.S. had issued a statement looking forward to working with a Prodi government. And the statement, by the Department of State spokesman, had come in response to a question from an Italian news agency. However, Levi added that they expected a White House call later that day, so the waiting should soon be over, and this would "allow us to overcome any embarrassment." (Comment: as this went to press, the Prodi camp had issued a press statement announcing the congratulatory call, and noting that the two leaders planned to meet at the G8 summit in July in St. Petersburg.

ACCELERATED GOVERNMENT FORMATION?

13. (C) Levi said Prodi and his staff have begun to work on an accelerated government formation schedule. He said President

of the Republic Carlo Azeglio Ciampi was willing to ask Prodi to form the next government. "The issue is whether we can get our list together," he said. "If so, Ciampi is ready." As a result, Levi sketched out a timeline much tighter than what we have seen so far:

April 28: Parliament seated.

May 3-5: Ciampi asks Prodi to form the next government, and Prodi immediately presents his list of ministers, with new government and ministers in place by end of first week of May. A vote of confidence could take place before May 13, when a new President of the Republic would be elected.

Comment: While doable, this is very ambitious. Public signals from Ciampi to date have been that he would leave the naming of the prime minister-designate to the new president (Ref C). So that would be a change. Also, PM Silvio Berlusconi would have to resign, and become a caretaker PM (something he has not done yet, although he might feel more pressure to do so after a Center-Left majority is seated April 28). Alternatively, Berlusconi would have to lose a vote of confidence by the new parliament before Ciampi could officially tap Prodi as the potential next PM. End Comment.

VISITING THE U.S.

14. (C) A/DCM asked Levi about press reports that Prodi wanted to send a delegation to the U.S to assure the U.S. that Italy will remain a close U.S. ally. Such a delegation would likely be welcome. Levi expressed appreciation and said such a visit would most likely come once the new government is in place. He said the original thought was to cover a gap of as much as two months between elections and seating of a new government; the revised timeline could be much shorter. He said the visit could usefully pave the way for closer

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cooperation on various issues, and it could entail a delegation or even a single person.

15. (C) Separately, Levi said an official visit to Washington at some point would also be welcome. This, he said, would send a clear message -- both in Italy and to the international community -- that Italy remains fully committed to the transatlantic relationship.

IRAQ PROBLEM BEHIND US

- 16. (C) Levi said Iraq was "almost behind us as an issue". The present government had already set in motion the process of withdrawal, and had publicly announced its intention to complete the process by the end of the year. The Center Left would affirm its commitment to this end, he said, but "in a proper manner" -- not a la Zapatero -- and in consultation with the government of Iraq and the allies. He said Italy would replace its soldiers with "humanitarian, security, economic, and institution-building forces". A/DCM pressed, asking whether this meant no change in Center Left thinking from our last conversation on the subject, earlier this year. Levi said no, but almost as an afterthought added that it was possible that troops might be drawn down "slightly faster than the current government foresees." He did not elaborate. A/DCM said the chief USG concern was that any changes be carefully coordinated with Iraq and allies, and not done in a way that could be destabilizing. Levi acknowledged this, but said, "I believe it is behind us as a political and practical problem."
- 17. (C) Comment: Overall, Levi reaffirmed the main lines of what we have been hearing from Center Left officials for months: nothing quick or disruptive, full consultation,

commitment to PRT, reconstruction, security training. But this was the first whiff we have had of a "slightly faster" timetable. Levi has proven a reliable indicator of thinking in the Prodi camp and Center Left dynamics, so we will continue to track this. An initial guess might be that the Center Left would seek to compress a withdrawal timetable slightly from the very end of the year, even by a few weeks, in order to gain political credit. End comment.

PRODI WANTS SEAT AT TABLE FOR IRAN

- 18. (C) On Iran, Levi lamented (that's the word he used) that Italy was excluded from formal negotiations such as the EU-3 and the P-5 plus one, a situation he blamed on outgoing PM Berlusconi who had decreased Italy's international standing. PM Prodi, Levi recalled, had been the first European leader to visit Iran after President Khatami's election, with the blessing of President Clinton. A/DCM said Iran constantly sought to divide the international community, and especially peel away countries like Italy with a large economic and commercial stake. So Italy's role and solidarity are very important. Levi said Italy will always act in concert with the EU and with the US as its ally. This is the line. It had a long tradition of contacts with Iran, but it will not seek direct contacts, or circumvent, or bypass its allies.
- 19. (C) Levi said that energy and Israel are the two main issues with Iran. On the IAEA dispute, he said Prodi's objective was to at least confine Iran's nuclear program to civilian capacity, if not eradicate it altogether, although that may no longer be an option. The key reference points are the UNSC and IAEA. He termed Iran's attitude toward Israel "totally unacceptable and deeply worrying".

ITALY'S TURN ON THE UNSC

110. (C) Levi said the Center Left envisioned studying practical ways to associate other European countries to the Italian delegation on the Security Council. "We would like, as much as possible, and legally, to play not only a national role but also a European role on the Security Council." Levi said that whatever steps Europe can take toward a more coordinated foreign policy, the better it will be for all Europeans. "We won't lose an opportunity to promote this."